

## Message Text

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PAGE 01 SEOUL 02763 010208Z

64

ACTION EB-11

INFO OCT-01 EA-11 ISO-00 JUSE-00 L-03 COME-00 DRC-01 RSC-01

/028 W

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R 010133Z AMY 74

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 3578

UNCLAS SEOUL 2763

E.O. 11652: N/A

TAGS: ETRD, KS, US

SUBJECT: ANTITRUST: POSSIBLE TRADE RESTRAINT PRACTICES  
BY KOREAN EYELASH AND WIG EXPORTERS.

REF: (A) STATE 071577; (B) SEOUL 1909; (C) STATE 052940

1. AS RECOMMENDED IN REF. A, EMBASSY HAS MADE APPROACH  
TO DIRECTOR OF KOREAN EYELASH EXPORTERS ASSOCIATION (KEEA)  
SIMILAR TO APPROACH TO KOREAN HAIRGOODS EXPORTERS ASSOCIATION  
(KHEA) REPORTED REF. B.

2. LEE, HO DONG, KEEA DIRECTOR, MADE POINT THAT KEEA  
MARKETING ARRANGEMENT DIFFERS FROM THAT OF KHEA IN THAT  
MEMBERSHIP OF U.S. IMPORTERS IN VOLUNTARY TRADE ASSOCIATION  
WAS NEVER CONSIDERED AS CRITERION FOR SELECTION OF APPROPRIATE  
U.S. IMPORTERS FOR KOREAN EYELASH EXPORTS. LEE MAINTAINS  
IMPORTERS WERE SELECTED ON BASIS OF HISTORICAL RECORD OF LARGE  
VOLUME OF IMPORTS FROM MAJOR KOREAN EXPORTERS. HE ALSO SAID  
EACH U.S. IMPORTER IS, IN EFFECT, PAIRED WITH ONE KOREAN  
EXPORTER. ACCORDING LEE, THERE ARE 18 KOREAN EXPORTERS IN  
KEEA, TEN OF WHOM ARE PAIRED WITH TEN U.S. IMPORTERS, WITH  
BALANCE PAIRED WITH IMPORTERS FROM OTHER MAJOR IMPORTING  
COUNTRIES. HE MAINTAINED THAT EACH OF THESE PAIRINGS IS  
BASED ON RELATIONSHIP OF LONG STANDING AND PARTICIPANT FIRMS  
AT BOTH ENDS WHO ARE QUITE CONTENT TO LIMIT THEIR MARKET  
RELATIONSHIPS IN THIS FASHION.

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PAGE 02 SEOUL 02763 010208Z

3. EMBOFF SAID THAT AT THIS TIME HE JUST WANTED TO REMIND KEEA AGAIN THAT IT SHOULD KEEP IN MIND U.S. ANTITRUST LAWS IN CONNECTION WITH ANY ARRANGEMENT TO RESTRAIN TRADE IN U.S. AND TO REITERATE THAT THERE HAD BEEN COMPLAINTS ABOUT EXISTING ARRANGEMENTS. LEE CLAIMED THAT ON TRIP TO U.S. LAST YEAR HE DISCUSSED TRADE ARRANGEMENT WITH LAWYERS OF ONE U.S. IMPORTER AND THAT LAWYERS TOLD HIM IT THEIR OPINION THAT KEEA ARRANGEMENT DID NOT REPEAT NOT VIOLATE ANY U.S. LAWS. HE DID NOT TALK WITH IMPORTERS EXCLUDED FROM PRESENT ARRANGEMENT.

4. EMBASSY ALSO CONTACTED SUH, JONG UK, CHAIRMAN OF KEHA, TO STRESS AGAIN POINT MADE IN REF. A THAT U.S. JUSTICE DEPARTMENT BELIEVES THAT SALES ALLOCATIONS TO AMERICAN IMPORTERS OUGHT TO BE MADE ON SOME STANDARD OTHER THAN THEIR MEMBERSHIP IN VOLUNTARY U.S. TRADE ASSOCIATION. SUH REPLIED HE IS AWARE OF THAT FROM PREVIOUS TALK WITH EMBOFF REPORTED REF. B. AND THAT KEHA IS TRYING TO FIND ANOTHER APPROACH.  
HABIB

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NNN

\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* UNCLASSIFIED

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** EXPORTS, HUMAN HAIR, TRADE CONTROLS  
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**Copy:** SINGLE  
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**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
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**Disposition Comment:**  
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